

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1294
ANSWERED ON:07.03.2008
RATIONALISING TAX STRUCTURE IN AVIATION SECTOR
Botcha Lakshmi Smt. Jhansi

Will the Minister of FINANCE be pleased to state:

- (a) whether any request has been received from Aviation Ministry for rationalising the tax structure in the aviation industry, including levies and duties on aviation turbine fuel ;
- (b) if so, the reaction of the Ministry thereon;
- (c) whether the Ministry is considering "Declared Goods" status for aviation turbine fuel to attract sales tax uniformly across India; and
- (d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a) & (b): Requests were received from Civil Aviation Ministry for rationalizing the tax structure in the aviation industry, including levies and duties on aviation turbine fuel. The same were examined, but were found not to be acceptable.
- (c) & (d): The Central Government has not placed aviation turbine fuel in the category of "declared goods". The Empowered Committee of State Finance Ministers constituted to inter alia monitor reforms in the Central Sales Tax system in the country has strongly opposed placing aviation turbine fuel under the "declared goods" list.